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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92049926
Party	Plaintiff Penthouse Digital Media Productions Inc.
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Attachments	Petitioner's Response In Opposition To Registrant's Motion to Dismiss .PDF ( 8 pages )(350772 bytes )

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

PENTHOUSE DIGITAL MEDIA	)	
PRODUCTIONS INC.,	)	
	)	
Petitioner,	)	
	)	
v.	)	Cancellation No. 92049926
	)	
CLOUDSTREET, INC.	)	
d/b/a ROXBURY ENTERTAINMENT,	)	
	)	
Registrant.	)	

**PETITIONER'S RESPONSE IN OPPOSITION TO  
REGISTRANT'S MOTION TO DISMISS**

Petitioner Penthouse Digital Media Productions Inc. ("Petitioner"), by its attorneys, submits the following brief in opposition to Registrant Cloudstreet, Inc. d/b/a Roxbury Entertainment's ("Registrant") Motion to Dismiss Amended Consolidated Petition to Cancel.

**I. INTRODUCTION**

On September 12, 2008, Petitioner filed a consolidated petition to cancel Registrant's trademark registrations for "ROUTE 66" for DVD/videocassettes (Reg. No. 3189543) (the "DVD/Videocassette Registration"), an on-going TV program (Reg. No. 3194355), and for a motion picture film series (Reg. No. 3291736) on grounds of fraud and abandonment (the "Original Petition"). (Docket No. 1.) Petitioner's Original Petition alleged, among other things, that "[o]n information and belief, Registrant (including its predecessors-in-interest) did not use the Asserted Mark in commerce on DVDs until 2005, at least nine years after Registrant's claimed date of first use." (Motion at 3.)

On May 14, 2010, the Board *sua sponte* reviewed Petitioner's Original Petition and requested that Petitioner amend its Original Petition in light of the decision in *In re Bose*, 580

F.3d 1240 (Fed. Cir. 2009). (Docket No. 18.) Pursuant to the Board's instructions, Petitioner amended its pleading on June 14, 2010 and filed its Amended Consolidated Petition to Cancel Registrant's three registrations for ROUTE 66 on grounds of fraud, abandonment, and nonuse ("Amended Petition"). (Docket No. 19.) Petitioner's Amended Petition alleges, among other things, that Registrant had not used the ROUTE 66 mark on or in connection with DVDs as of July 14, 2006, the date Registrant filed its Amendment to Allege Use. (Amended Petition, ¶ 31.) The Amended Petition, furthermore, alleges specific facts Petitioner obtained from discovery in the related lawsuit<sup>1</sup> to support Petitioner's allegation that Registrant had not used the ROUTE 66 mark on DVDs as of July 14, 2006. (Amended Petition, ¶ 32.)

Registrant now files a partial motion to dismiss Petitioner's fraud claim against Registrant's DVD/Videocassette Registration (the "Motion").<sup>2</sup> (Motion at 1.) Registrant does not dispute that Petitioner has sufficiently stated a fraud claim for cancellation of Registrant's DVD/Videocassette Registration. Registrant's sole argument in its Motion is that Petitioner's allegation in the Original Petition, that "[o]n information and belief, Registrant (including its predecessors-in-interest) did not use the Asserted Mark in commerce on DVDs until 2005," is a "judicial admission" and is purportedly in contravention of Petitioner's allegation in the Amended Petition that Registrant had not used the ROUTE 66 mark on DVDs as of July 14, 2006. (Motion at 3 – 4.) Registrant's argument is without merit because the allegation in

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<sup>1</sup> On June 12, 2008, Registrant sued Petitioner and Petitioner's affiliates in the United States District Court for the Central District of California for an alleged violation of Lanham Act, federal trademark infringement and other causes of action based on Petitioner's production, release and distribution in commerce of the adult entertainment motion picture titled "Penthouse: Route 66." (Amended Petition, ¶ 1.) Registrant's complaint was dismissed in its entirety on summary judgment; Registrant's appeal is pending.

<sup>2</sup> The Amended Petition seeks to cancel three of Registrant's registrations for ROUTE 66 on the grounds of fraud, nonuse, and abandonment. (See Amended Petition.) Registrant's Motion only seeks to dismiss Petitioner's allegation of fraud against one of the registrations. (Motion at 1.)

Petitioner's Amended Petition supersedes the allegation in its Original Petition, and because Petitioner has a right to amend its pleading to conform to the facts as they develop, especially where, as here, Petitioner's original allegation was pled "on information and belief."

## II. ARGUMENT

### A. Registrant Cannot Meet the High Threshold For a Motion to Dismiss

In order to withstand a motion to dismiss for failure to state a claim, a plaintiff need only allege such facts as would, if proved, establish that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid ground exists for opposing or cancelling registration of the mark. *IdeasOne, Inc. v. Nationwide Better Health, Inc.*, 89 U.S.P.Q.2d 1952, 1953 (TTAB 2009); *Ritchie v. Simpson*, 170 F.3d 1092, 50 U.S.P.Q.2d 1023 (Fed. Cir. 1999). Since the function of the pleading simply is to provide formal notice to the registrant, the petitioner is allowed reasonable latitude in its statement of claims. *Harsco Corp. v. Electrical Sciences, Inc.*, 9 U.S.P.Q.2d 1570, 1571 (TTAB 1988).

Consistent with these liberal pleading requirements, a motion to dismiss must be denied "unless it appears beyond doubt that the plaintiff can prove no set of facts in support of his claim which would entitle him to relief." *Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 988 F.2d 1157, 1160, 26 U.S.P.Q.2d 1038 (Fed. Cir. 1993) (internal citations omitted); *Fair Indigo LLC v. Style Conscience*, 85 U.S.P.Q.2d 1530 1538 (Fed. Cir. 2008). Any disputed issues are construed favorably to the complainant, and all reasonable inferences are drawn in favor of the complainant. *Advanced Cardiovascular*, 988 F.2d at 1161. Thus, to the extent that factual questions are raised and are material to the result, dismissal is improper unless there is no reasonable view of the facts which could support the claim. *Id.*

Generally, an amended pleading will supersede any prior pleadings, particularly an amended pleading which is complete in itself and does not adopt or make any reference to the earlier pleading. TBMP § 507.02 (2d Ed. 2003, Revision 1 2004); *Jet, Inc. v. Sewage Systems*, 223 F.3d 1360, 1365, 55 U.S.P.Q.2d 1854, 1858 (Fed. Cir. 2000); *Michael S. Sachs Inc. v. Cordon Art B.V.*, 56 U.S.P.Q.2d 1132, 1136 n.10 (TTAB 2000).

Registrant does not dispute that Petitioner has standing to maintain this proceeding and has stated a claim to cancel Registrant's DVD/Videocassette Registration for fraudulent procurement. Registrant's Motion, accordingly, should be denied.

**B. Petitioner's Amended Petition Supersedes Its Original Petition**

Petitioner's Amended Petition supersedes its original petition to cancel, rendering the allegations in Petitioner's original petition to cancel moot. *See* TBMP § 507.02 (2d Ed. 2003, Revision 1 2004) ("Generally, an amended pleading will supersede any prior pleadings, particularly an amended pleading which is complete in itself and does not adopt or make any reference to the earlier pleading"); *Jet, Inc. v. Sewage Systems*, 223 F.3d 1360, 1365, 55 U.S.P.Q.2d 1854, 1858 (Fed. Cir. 2000) (citing *Kelley v. Crosfield Catalysts*, 135 F.3d 1202, 1205 (7th Cir. 1998) ("It is hornbook law that an amended complaint complete in itself and making no reference to nor adopting any portion of a prior complaint renders the latter functus officio."); 6 Charles Alan Wright, Arthur R. Miller & Mary Kay Kane, *Federal Practice and Procedure* § 1476 (2d ed. 1990) ("A pleading that has been amended under Rule 15(a) [of the Federal Rules of Civil Procedure] supersedes the pleading it modifies.... Once an amended pleading is interposed, the original pleading no longer performs any function in the case....").

Registrant's sole argument in its Motion is that Petitioner's allegation in the Original Petition is purportedly in contravention of Petitioner's allegation in the Amended Petition

(Motion at 3 – 4.) However, because the Amended Petition is complete in itself and does not adopt or make any reference to Petitioner’s Original Petition, Petitioner’s Amended Petition supersedes the Original Petition, and renders the allegations in the Original Petition moot. Accordingly, Registrant’s Motion should be denied.

C. **Registrant’s Allegations are Not Inconsistent, and Petitioner has the Right to Amend its Pleading to Conform to the Facts**

Registrant’s argument, that Petitioner’s allegation in its Amended Petition is “in direct contravention of Petitioner’s earlier judicial admission,” is patently false. (*See* Motion at 3.) As a preliminary matter, Registrant does not and cannot cite any legal authority to support its claim that Petitioner’s allegation in its Original Petition was a “judicial admission,” or that Registrant’s argument provides a valid basis for dismissal of Petitioner’s sufficiently pleaded claim.

Additionally, as Registrant concedes in its Motion, Petitioner alleged in its original petition to cancel “[o]n information and belief” that Registrant did not use its ROUTE 66 mark on DVDs until 2005. (Motion at 3.) Petitioner asserted such allegation “on information and belief” because, at that time, Petitioner did not have the benefit of the information it obtained during discovery in the related lawsuit establishing that Registrant had not used its ROUTE 66 mark on DVDs until 2007. (*See* Amended Petition, ¶ 32.) After obtaining such information in response to discovery, and with explicit instruction from the Board, Petitioner amended this allegation to allege that Registrant had not used the ROUTE 66 mark on or in connection with DVDs as of July 14, 2006, the date Registrant filed its Amendment to Allege Use. (Amended Petition, ¶ 31.) Accordingly, Petitioner’s allegation in its Amended Petition is not inconsistent with the allegation in the Original Petition, which was pled “on information and belief.”

Furthermore, litigants have a right to amend the pleadings to conform to the facts as they develop through further investigation or discovery. Here, the Board explicitly permitted Petitioner to amend its petition. (Docket No. 18.) Petitioner amended its pleading to conform to the facts that Petitioner obtained in discovery after Petitioner filed its Original Petition. Moreover, consistent with the pleading standards established by *In re Bose*, 580 F.3d 1240 (Fed. Cir. 2009), Petitioner asserted additional facts it obtained from discovery supporting this new allegation – including deposition testimony from the distributor of Registrant’s DVDs that its involvement in distributing DVDs for sale in interstate commerce did not begin until 2007 and from the marketing company that Registrant employs admitting that its involvement in the sale of Registrant’s DVDs did not begin until the summer of 2007. (Amended Petition, ¶32.) The Amended Petition further includes allegations that Registrant’s official press release claimed that the “Route 66” television show was “coming to DVD for the first time ever on October 23, [2007],” and that Amazon.com lists the release date of Registrant’s first ROUTE 66 DVD as “May 1, 2007.” (*Id.*)

Litigants have a right to amend the pleadings to conform to the facts as they develop through further investigation, especially where, as here, Petitioner’s original allegation was explicitly pled “on information and belief.” Accordingly, Registrant’s argument that Petitioner’s allegation in its Amended Petition should be dismissed because it is “in direct contravention of Petitioner’s earlier judicial admission” has no merit, and Registrant’s Motion should be denied.

### **III. CONCLUSION**

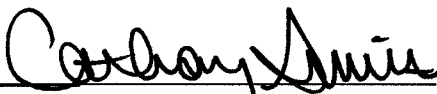
Registrant does not dispute that Petitioner has standing to maintain this proceeding, and that Petitioner has stated a claim to cancel Registrant’s DVD/Videocassette Registration for fraudulent procurement. Registrant’s only argument in its Motion, that Petitioner’s allegation in

its Amended Petition is “in direct contravention” of its Original Petition, does not provide a valid basis for dismissal of Petitioner’s sufficiently pleaded claim, and Registrant’s argument has no merit for the reasons stated above.

Wherefore, Petitioner Penthouse Digital Media Productions Inc. respectfully requests that the Board deny Registrant’s Motion to Dismiss Amended Consolidated Petition to Cancel.

Date: September 1, 2010

Respectfully submitted,

By: 

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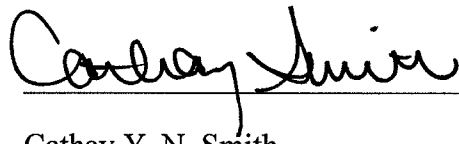
**CERTIFICATE OF SERVICE**

I hereby certify that on this 1st day of September, 2010, I caused a true and correct copy of the foregoing to be served upon:

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